

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 CIAE-00
DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01 SP-02
FMC-01 DLOS-06 SAL-01 OES-06 DOTE-00 SIL-01 LAB-04
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R 241648Z MAR 77
FM AMEMBASSY ABIDJAN
TO SECSTATE WASHDC 2631
AMEMBASSY ACCRA
AMEMBASSY BANJUL
AMEMBASSY CONAKRY
AMEMBASSY COTONOU
AMEMBASSY DAKAR
AMEMBASSY FREETOWN
AMEMBASSY KINSHASA
AMEMBASSY LAGOS
AMEMBASSY LIBREVILLE
AMEMBASSY LOME
AMEMBASSY LONDON
AMEMBASSY MONROVIA
AMEMBASSY YAOUNDE
AMCONSUL DOULA
INFO AMEMBASSY OSLO
AMEMBASSY PARIS

C O N F I D E N T I A L SECTION 1 OF 2 ABIDJAN 2982

E.O. 11652: GDS
TAGS: EWWT, IV, UK
SUBJECT: SOURING OF RELATIONS BETWEEN IVORY COAST
AND THE UNITED KINGDOM WEST AFRICAN
LINE (UKWAL) SHIPPING CONFERENCE

1. THE GOVERNMENT OF IVORY COAST (GOIC) HAS CHOSEN
TO GIVE CONSIDERABLE PUBLICITY TO THE DECISION OF
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THE THIRD MINISTERIAL CONFERENCE OF WEST AND
CENTRAL AFRICAN STATES CONCERNING MARITIME
TRANSPORT (23-26 FEBRUARY 1977 AT ACCRA) TO SERVE
THE UNITED KINGDOM WEST AFRICAN LINE (UKWAL) WITH
AN ULTIMATUM OF MARITIME NEGOTIATIONS.

2. IN HIS PUBLIC PRONOUNCEMENT, GOIC MINISTER OF

MARINE LAMINE FADIGA HAS EMPHASIZED THE FAILURE OF UKWAL IN 1975 AND 1976 TO CONSULT WITH AFRICAN MARITIME NATIONS BEFORE INCREASING FREIGHT RATES AND MORE RECENTLY THE UNILATERAL UKWAL DECISION TO USE THE DOLLAR RATHER THAN THE POUND STERLING AS A MONETARY STANDARD FOR PAYMENT OF SHIPPING FEES. FADIGA HAS

ALSO EMPHASIZED THAT, IF UKWAL AND THE AFRICAN MARITIME STATES DO NOT COME TO AN AGREEMENT BY 31 MAY 1977, UKWAL SHIPS CALLING AT WEST AND CENTRAL AFRICAN PORTS WILL BE SUBJECT TO A FINE OF AT LEAST 50 PERCENT OF THE FOB VALUE OF THE CARGO. CENTRAL BANKS AND MARITIME AGENCIES IN THE SUB-REGION WILL BE "ASKED" TO REFUSE PAYMENT TO UKWAL COMPANIES IF BILLS ARE SUBMITTED USING THE DOLLAR AS A STANDARD. EXCEPTIONS WILL BE MADE FOR AFRICAN SHIPPING LINES

BELONGING TO THE CONFERENCE. (COMMENT: CONFERENCE COMPANIES ON THE ABIDJAN-UK ROUTE ARE: ELDER DEMPSTER-LIVERPOOL; PALM LINE-LONDON; HOEGH LINES-OSLO; BLACK STAR LINE-ACCRA; NIGERIAN NATIONAL LINE-LAGOS.)

3. BRITISH EMBASSY AND LOCAL SHIPPING SOURCES HAVE INFORMED US THAT, TO THEIR KNOWLEDGE, IVORY COAST IS THE ONLY COUNTRY THUS FAR THAT HAS CHOSEN TO BILATERALLY KNOCK HEADS WITH UKWAL OVER THE ISSUE. THE FACTS OF THE IVORIAN INDICTMENT ARE ESSENTIALLY TRUE. THE RAPID DROP IN THE POUND STERLING AND CONFIDENTIAL

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INCREASED PORT COSTS IN AFRICA CAUSED UKWAL TO RAISE ITS RATES BY APPROXIMATELY 22 PERCENT IN 1975 (TEN PERCENT HIGHER THAN INCREASES BY OTHER CONFERENCES THAT YEAR) AND TO RAISE THE RATES AGAIN SLIGHTLY IN 1976. THE DECISION TO USE THE DOLLAR AS A STANDARD WAS BASED ON THE SAME CRITERIA. THESE DECISIONS WERE APPARENTLY TAKEN UNILATERALLY BY THE CONFERENCE, AND IVORY COAST, AT LEAST, WAS NOT CONSULTED. (THE ROLE OF GHANA AND NIGERIA IN THE CONFERENCE DECISION IS NOT CLEAR.)

4. IT APPEARS TO THE BRITISH EMBASSY HERE THAT THE IVORIAN DECISION TO TAKE THE LEAD IN CONFRONTING UKWAL IS BASED ON A NUMBER OF FACTORS:

A. THE IVORY COAST HAS A STRONG DESIRE TO BECOME THE LEADING MARITIME NATION IN WEST AND CENTRAL AFRICA. THIS IS EVIDENCED BY CURRENT SHIP CONSTRUCTION, PORT EXPANSION, AND MARITIME TRAINING/RESEARCH

PROGRAMS AND BY STRONG GOIC SUPPORT FOR REGIONAL MARITIME COOPERATION, INCLUDING AN EVENTUAL POOLING OF NATIONAL FLEETS. CONFRONTATION WITH UKWAL GIVES THE GOIC A CHANCE TO BE SEEN AS A REGIONAL MARITIME LEADER.

B. THE GOIC HAS A YOUNG AND COMING MINISTER OF

MARINE WHO MAY SEE THE CONFRONTATION AS A CHANCE TO "MAKE HIS MARK."

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C O N F I D E N T I A L SECTION 2 OF 2 ABIDJAN 2982

C. THE GOIC FEELS ACUTELY INSULTED, FIRST BY THE FAILURE OF UKWAL TO NEGOTIATE FREIGHT RATE DECISIONS WITH THE AFRICANS AND SECONDLY, BY THE RESPONSE GIVEN

TO GOIC BILATERAL DEMARCHES CONCERNING THE ISSUE.
WHEN MINISTER OF MARINE FADIGA VISITED LONDON IN
OCTOBER 1976, HE ASKED THE BRITISH GOVERNMENT TO
INTERVENE. THE BRITISH TURNED HIM DOWN AND TOLD
HIM HE HAD TO DEAL WITH THE CONFERENCE. WHEN AN
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ATTEMPT AT NEGOTIATIONS WAS MADE IN ABIDJAN IN
JANUARY 1977(BRITISH ATTENDEES; UKWAL REPRESENTATIVES;
BRITISH PORT UNION REPRESENTATIVES; TWO MEMBERS OF
THE SHIPPING DIVISION OF THE U.K. DEPARTMENT OF TRADE),
THERE WAS NO PROGRESS WHATSOEVER, AND THE IVORIANS
WERE APPARENTLY INCENSED AT UKWAL'S INTRANSIGENCE.

5. SINCE THE UNSUCCESSFUL JANUARY MEETINGS, THE
BRITISH EMBASSY AND SHIPPING REPS HERE HAVE BEEN
KEPT SOMEWHAT IN THE DAKAR AS TO UKWAL INTENTIONS.
AN ELDER DEMPSTER REP HAS INFORMED EMBASSY ABIDJAN
THAT, IF THE IVORIANS START IMPOSING FINES, UKWAL NON-
AFRICAN SHIPS WILL HAVE NO CHOICE BUT TO BYPASS ABIDJAN
PORT. THE BRITISH EMBASSY FEELS THAT THE GREATEST
DANGER LIES IN THE FOLLOWING OF THE GOIC LEAD BY
OTHER WEST AND CENTRAL AFRICAN COUNTRIES. IN THAT
CASE, THE CONFERENCE ITSELF COULD BREAK UP. UKWAL,
THEREFORE,

IS EITHER GOING TO HAVE TO COME TO AN
AGREEMENT WITH THE GOIC(WHICH MAY BE DIFFICULT
BECAUSE THE STATUS OF THE POUNDSTERLING GIVES THE
CONFERENCE LITTLE
LATITUDE FOR NEGOTIATION) OR
MANEUVER THE CASE INTO ARBITRATION. GIVEN THE
NEBULOUS TERMS OF THE PROPOSED FINES(FOR EXAMPLE,

IS A FINE IMPOSED AGAINST THE ENTIRE CARGO OR JUST
THAT PORTION INTENDED FOR IVORY COAST?) AND THE
FLUID INTERPRETATION OF INTERNATIONAL MARITIME "LAW",
THE GOIC MIGHT HAVE A DIFFICULT TIME MAKING A CASE
IN A COURT OF ARBITRATION.

6. THE BRITISH EMBASSY ALSO FEELS THAT THE IVORY
COAST, IN EXCLUDING UKWAL NON-AFRICAN SHIPS FROM
ABIDJAN, MIGHT WIND UP HURTING ITSELF. THE EXCLUSION
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COULD HAVE AN ADVERSE EFFECT ON UK-IVORIAN TRADE,

WHICH IS NOW HEAVILY IN FAVOR OF THE IVORY COAST.
AND, WHILE IVORIAN-OWNED SHIPS WOULD PROBABLY NOT
BE PREVENTED FROM SERVING UK PORTS, THEY CERTAINLY
WOULD NOT GET A WARM WELCOME, ESPECIALLY FROM
BRITISH MARITIME UNIONS. MOREOVER, THE IVORIANS
COULD WELL BE STUCK WITH A NUMBER OF LARGE, NEW
FREIGHTERS(NOW UNDER CONSTRUCTION IN JAPAN AND SPAIN)
AND AN INABILITY TO USE THEM ON THE CURRENTLY
PROFITABLE ROUTE TO BRITAIN.

7. FOR AMEMASSY LONDON: IS THERE ANY INFORMATIN
AVAILABLE ON THE REACTIONS/INTENTIONS OF UKWAL
VIS-A-VIS THE AFRICAN ULTIMATUM?

8. FOR AFRICAN ADDRESSEES: REQUEST YOU INFORM
AMEMBASSY ABIDJAN IF THERE HAVE BEEN ANY RECENT
GOVERNMENT PRONOUNCEMENTS ON THE UKWAL CAS.
WE ARE ESPECIALLY INTERESTED IN THE STANCES TAKEN
BY GHANA AND NIGERIA. STEARNS

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